

House Committee on Ways and Means

Minutes of Meeting
2017 Regular Session
May 22, 2017

I. CALL TO ORDER

Representative Neil C. Abramson, Chairman of the House Committee on Ways and Means, called the meeting to order at 2:00 p.m. in Room 6, in the State Capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Neil C. Abramson, chairman
Representative Joseph Bouie, Jr.
Representative Chris Broadwater
Representative Paula P. Davis
Representative Phillip R. DeVillier
Representative Stephen C. Dwight
Representative Jimmy Harris
Representative Dodie Horton
Representative Marcus L. Hunter
Representative Mike Huval
Representative Barry Ivey
Representative Edward C. "Ted" James, II
Representative Robert A. Johnson
Representative John C. "Jay" Morris, III
Representative James H. "Jim" Morris, vice chairman
Representative Clay Schexnayder
Representative Alan Seabaugh
Representative Julie Stokes
Representative Major Thibaut

MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Ms. Alison Pryor, deputy director
Ms. Elise C. Read, legislative analyst

Ms. Tina Vanichchagorn, attorney
Ms. Linda Hopkins, secretary

ADDITIONAL ATTENDEES PRESENT:

Ms. Janet Anthony, sergeant at arms
Ms. Myrtis Jarrell, sergeant at arms
Ms. Angela McKnight, sergeant at arms

III. DISCUSSION OF LEGISLATION

Senate Bill No. 150 by Senator Chabert

Senator Chabert presented Senate Bill No. 150, which provides for the Ports of Louisiana tax credits.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report Senate Bill No. 150 favorably. Without objection, Senate Bill No. 150 was reported favorably by a vote of 12 yeas and 0 nays. Representatives Abramson, Broadwater, Davis, DeVillier, Jimmy Harris, Horton, Huval, James, Jay Morris, Jim Morris, Schexnayder, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on Senate Bill No. 150 is available upon request.

Senate Bill No. 237 by Senator Cortez

Senator Cortez presented Senate Bill No. 237, which provides relative to revenue bonds of the Lafayette Parish School Board.

Present to speak in support was Mr. Billy Guidry, Lafayette Parish School System, 113 Chaplin Drive, Lafayette, LA, (337) 521-7302.

There was no further discussion on the bill.

Representative Thibaut offered a motion to report Senate Bill No. 237 favorably. Without objection, Senate Bill No. 237 was reported favorably by a vote of 12 yeas and 0 nays. Representatives Abramson, Broadwater, Davis, DeVillier, Jimmy Harris, Horton, Huval, James, Jay Morris, Jim Morris, Schexnayder, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on Senate Bill No. 237 is available upon request.

Senate Bill No. 93 by Senator Mills

Senator Mills presented Senate Bill No. 93, which excludes from repairs to tangible personal property and fabrication certain preparation and painting of certain aircraft for purposes of sales and use tax aircraft having an FAA registration address outside the state.

Representative Abramson offered amendments to delete specific conditions concerning the performance of surface preparation, coating, and painting certain aircraft for purposes of the imposition of sales use tax. Representative Abramson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Abramson, Broadwater, Davis, DeVillier, Horton, Huval, James, Jay Morris, Jim Morris, Schexnayder, and Thibaut voted yea.

There was no further discussion on the bill.

Representative DeVillier offered a motion to report Senate Bill No. 93 with amendments. Without objection, Senate Bill No. 93 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Abramson, Broadwater, Davis, DeVillier, Horton, Huval, James, Jay Morris, Jim Morris, Schexnayder, and Thibaut voted yea.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on Senate Bill No. 93 is available upon request.

House Bill No. 654 by Representative Reynolds

Representative Reynolds presented House Bill No. 654, which levies an insurance surcharge and dedicates the revenue to the Emergency Management Assistance Trust Fund.

Present to speak for information only was Mr. James Waskom, Governor's Office of Homeland Security and Emergency Preparedness, (GOHSEP) 7667 Independence Boulevard, Baton Rouge, LA 70806, (225) 925-7345.

Present to speak in opposition were Mr. Chuck McMains, Property Casualty Insurers (PCI), 8555 United Plaza Drive, Suite 500, Baton Rouge, LA 70809, (225) 248-2000, and Mr. Kevin Cunningham, American Insurance Association, 543 Spanish Town Road, Baton Rouge, LA, (225) 381-0166.

Representative Broadwater offered amendments to distribute monies in fund in proposed law to each parish using a base amount and approved population allocation. Representative Broadwater offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Horton, Huval, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yea.

There was no further discussion on the bill.

Representative Abramson offered a motion to voluntarily defer action on House Bill No. 654. Without objection, action on House Bill No. 654 was voluntarily deferred by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Horton, Huval, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on House Bill No. 654 is available upon request.

House Bill No. 686 by Representative Broadwater

Representative Broadwater presented House Bill No. 686, which provides for the Louisiana-Headquartered Motion Picture Production Cooperative Endeavor Program.

Present to speak in support was Mr. Shaun H. Kiefer, transactional attorney, 201 St. Charles Avenue, Suite 4400, New Orleans, LA 70170, (504) 595-3424.

Present to speak in opposition was Mr. Leonard Alsfeld, president and ceo, FBT Film Credit, 909 Poydras Street, Suite 1750, New Orleans, LA 70012, (504) 584-5888.

Present to speak for information only were Mr. Don Pierson, Secretary, and Ms. Mandi Mitchell, Assistant Secretary, Louisiana Economic Development, 617 North Third, Baton Rouge, LA 70802.

The following individuals submitted written testimony: Mr. Tommy Vassel, Global Profit Strategies, LLC, 1139 Marais Street, New Orleans, LA 70116, (504) 586-9498, (See Exhibit A) and Mr. Bill Joyce, Moonbot Studios (See Exhibit B).

Representative Broadwater offered amendments to change the amount of the application fee for the tax credit program in proposed law and to clarify that the \$20 million in allowable credits is to be allocated from the \$180 million credit cap for the Motion Picture Production tax credit in present law. Representative Broadwater offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, Horton, Huval, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yeas.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report House Bill No. 686 with amendments. Without objection, House Bill No. 686 was reported with amendments by a vote of 10 yeas and 0

nays. Representatives Bouie, Broadwater, Davis, DeVillier, Horton, Huval, Johnson, Jay Morris, Jim Morris, and Seabaugh voted yea.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on House Bill No. 686 is available upon request.

Senate Bill No. 254 by Senator Morrell

Senator Morrell presented Senate Bill No. 254, which provides for the Motion Picture Production Tax Credit.

Representative Jim Morris offered a conceptual amendment to clarify that fringe benefits not includible in gross income are not considered "payroll" for purposes of the tax credit in present law. Representative Jim Morris offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Bouie, Broadwater, Davis, DeVillier, Horton, Huval, James, Jim Morris, Seabaugh, and Thibaut voted yea.

Representative Abramson offered amendments to (HCASB254 416 3050) prohibit certain Louisiana based businesses from being excluded from the definition of "procurement company" and increases the amount of the payroll credit for Louisiana residents for purposes of the tax credit in present law. Representative Abramson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 16 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Horton, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, Stokes, and Thibaut voted yea.

Representative Abramson offered amendments (HCASB254 416 3048) to delete the requirement that a production expenditure report contain an opinion from a qualified accountant relative to disguised sales of credits and to delete certain tax credit transfer provisions from proposed law. Representative Abramson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Horton, Huval, Johnson, Jay Morris, Jim Morris, and Seabaugh voted yea.

Present to speak in support of Senate Bill No. 254 were Ms. Jo Banner, River Parishes Tourist Commission, 2900 Highway 51, LaPlace, LA 70068, (225) 206-1993, and Mr. Gabriel Markel, Markel Lumber, 219 Porteous, New Orleans, LA, (504) 940-4085.

Present to speak in opposition to Senate Bill No. 254 were Mr. Shaun Kiefer, 201 St. Charles Avenue, Suite 4400, New Orleans, LA 70170, (504) 595-3424, and Mr. Peter Loop, eTax Credit Exchange Corporation, 800 Richard Street, (504) 224-2266.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report Senate Bill No. 254 with amendments. Without objection, Senate Bill No. 254 was reported with amendments by a vote of 13 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Jimmy Harris, Horton, Hunter, Huval, James, Jim Morris, Seabaugh, and Thibaut voted yeas.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on Senate Bill No. 254 is available upon request.

House Bill No. 259 by Representative Zeringue

Representative Zeringue presented House Bill No. 259, (Constitutional Amendment), which provides relative to the taxing authority of certain levee districts.

Present to speak in support of House Bill No. 259 were Mr. Windell A. Curole, Coastal Louisiana Levee Consortium, Post Office Box 426, Galliano, LA, (985) 632-7554, and Mr. Cory Kief, Association of Levee Boards of Louisiana (ALBL), (985) 227-9121.

Representative Abramson offered amendments to (HCAHB259 416 2989) limit the expansion of the authority to levee up to 5 mills in property tax without voter approval to the Chenier Plain Coastal Restoration and Protection Authority, the Iberia Parish Levee, Hurricane, and Conservation District, and the St. Tammany Levee, Drainage, and Conservation District, and the St. Tammany Levee, Drainage, and Conservation District. Representative Abramson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Hunter, Huval, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yeas.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report House Bill No. 259 with amendments. Without objection, House Bill No. 259 was reported with amendments by a vote of 16 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, DeVillier, Dwight, Horton, Hunter, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yeas.

Senate Bill No. 22 by Senator Peacock

Senator Peacock presented Senate Bill No. 22, which provides for items eligible for the 2nd Amendment Sales Tax Holiday.

Present to speak in support of Senate Bill No. 22 was Mr. William J. Young, First Turn, Inc., 712 I-10 South Frontage Road, Scott, LA 70583, (337) 233-9383.

There was no further discussion on the bill.

Representative Ivey offered a motion to report Senate Bill No. 22 favorably, to which Representative Schexnayder objected. The motion, to report Senate Bill No. 22 favorably, failed to pass by a vote of 4 yeas, 11 nays, and 1 abstention. Representatives Bouie, Jimmy Harris, Ivey, and James voted yea. Representatives Davis, DeVillier, Dwight, Horton, Huval, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted nay. Representative Abramson abstained.

Representative Schexnayder offered a motion to voluntarily defer action on Senate Bill No. 22 to which there was no objection. Senate Bill No. 22 was voluntarily deferred by a vote of 16 yeas and 0 nays. Representatives Abramson, Bouie, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh and Thibaut voted yea.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on Senate Bill No. 22 is available upon request.

House Bill No. 645 by Representative Gary Carter

Representative Gary Carter presented House Bill No. 645, which establishes a tax credit pilot program for certain Louisiana-based manufacturing industries.

Representative Abramson offered amendments to (HCAHB645 416 3045) delete the requirement that DED submit its initial certification of a qualifying project to Dept. of Revenue and add a requirement that DED issue the tax credit certification letter to Dept. of Revenue. Representative Abramson offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yea.

There was no further discussion on the bill.

Representative Abramson offered a motion to report House Bill No. 645 with amendments. Without objection, House Bill No. 645 was reported with amendments by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, and Thibaut voted yea.

House Bill No. 202 by Representative Abraham

Representative Abraham presented House Bill No. 202, which repeals certain educational tax expenditures.

Present to speak in opposition to House Bill No. 202 were Ms. Kelli Bottger, 37397 Cypress Alley Avenue, Gonzales, LA 70737, (225) 936-9800, and Mr. Rob Tasman, Louisiana Conference of Catholic Bishops, 2431 South Acadian Thruway, Suite 250, Baton Rouge, LA 70808, (225) 326-9513.

Representative Dwight offered a motion to report House Bill No. 202 favorably, to which Representative DeVillier objected. Representative DeVillier offered a substitute motion to voluntarily defer action on House Bill No. 202. The secretary called the roll, and the substitute motion to voluntarily defer action on House Bill No. 202 passed by a vote of 12 yeas, 4 nays and 1 abstention. Representatives Bouie, Davis, DeVillier, Harris, Huval, Ivey, Johnson, Jay Morris, Jim Morris, Seabaugh, Stokes, and Thibaut voted yea. Representatives Broadwater, Dwight, James, and Schexnayder voted nay. Representative Abramson abstained.

There was no further discussion on the bill.

A copy of the witness cards for individuals (who were present but did not testify) in support of, in opposition to, and to provide information only on House Bill No. 202 is available upon request.

IV. OTHER BUSINESS

There was no other business.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Abramson offered a motion to adjourn. Without objection, the motion to adjourn passed by a vote of 18 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Johnson, Jay Morris, Jim Morris, Schexnayder, Seabaugh, Stokes, and Thibaut voted yea.

The meeting was adjourned at 4:52 p.m.

Respectfully submitted,

Chairman Neil C. Abramson
House Committee on Ways and Means